

MINUTES
Highway Expansion and Extension Loan Program

Advisory Committee Meeting
State Transportation Board Room
Phoenix, Arizona
March 15, 2006

Committee Members Present:

John McGee, Chair
William Beyer

Lela Steffey
Jim Glock (by phone)

Members Absent:

Michael Anderson
David Felix

Paul Schwartz

Others Present:

Val Carrola, ADOT
Steve Schaefer, ADOT
John Fink, ADOT

Stephen Cleveland, City of Goodyear
Mario Saldamando, City of Goodyear

Call to Order

The meeting was called to order by John McGee at 1:46 p.m. A quorum was present.

Adoption of Minutes

Action: A motion to approve the Minutes of the November 7, 2005 meeting was made by Ms. Steffey, seconded by Mr. Glock and passed unanimously.

Prior Business

No items were brought forward.

New Business

Cash/Loan Status Report

Mr. Fink reported a cash balance as of February 28, 2006 of \$76,213,795, noting that outstanding loan draws total about \$509.7 million. To date, the Board and Committee have approved 53 loans.

In response to a question, Mr. Fink said that current monthly loan draws are approximately equal to the amount received in principal and interest payments. Therefore, the cash balance has remained level over

the past six months. Mr. McGee said that over the next year to year-and-a-half, ADOT needs to ensure that the cash balance does not drop below \$50 million because the first payment on the \$140 million in BFO loans is due July 2007. He explained that ADOT will need to physically transfer \$50 million to the State Treasurer on the first BFO payment date, even though the funds will be reborrowed within days.

HELP Annual Report

Mr. Fink noted that a copy of the 2005 HELP Annual Report was included in the meeting packets. He explained that staff is required to prepare the report and deliver it to the Governor and Legislative leadership by December 1 of each year.

HELP Annual Audit

Mr. Fink noted that a copy of the HELP Annual Audit for the fiscal year ended June 30, 2005 was also included in the meeting packets. He said that the audit was performed by Deloitte & Touche.

Application Status Report

Steve Schaefer said that the Committee will have a \$7.5 million loan application from Mohave County to consider at its next meeting. He explained that it is for a project that is eligible for Emergency Relief (ER) funding from FHWA, but FHWA cannot provide the ER funds for approximately two years.

Consideration of Loan Applications

City of Goodyear: I-10 Widening from Loop 101 to Sarival Design Project: \$7,369,000

Mr. McGee said that I-10 west of the Loop 101 is one of the most congested areas on the Valley freeway system. He explained that ADOT has been working with Maricopa County and some of the West Valley cities, the City of Goodyear in particular, looking for options to bring forth a meaningful project in the MAG Regional Transportation Plan that would help address some of the issues in that area. He said that the parties are very close to identifying a funding strategy that works, part of which calls for advancing the design of the projects that will ultimately be advanced. He explained that the HELP loan application involves three separate design projects, totaling \$7,369,000. He also noted that the construction projects will ultimately be funded through the issuance of Grant Anticipation Notes (GANs).

Mr. Cleveland addressed the Committee, stating that the project is needed primarily to improve safety. He pointed out that this section of I-10 has one of the highest accidents rates in the entire I-10 corridor, at 10 times the national average. He noted that congestion is also a significant problem in the area and emphasized the importance of the project from a commerce perspective. He said that all four City Councils are tentatively scheduled to meet on April 4 to pass resolutions that state their commitment to fund a portion of the interest payment related to the HELP loan. He thanked ADOT staff for assisting them in going through the process.

Mr. Schaefer explained that the City of Goodyear filed an application on behalf of the Cities of Goodyear, Avondale and Litchfield Park and the Town of Buckeye requesting \$7.369 million to advance the design of two segments of I-10. He said the project calls for the design HOV and general purpose lanes between Sarival Avenue and the Loop 101. The new lanes will be added in the existing median and on the outside of the existing mainline. He said the loan will be repaid within four years.

Action: A motion to approve the City of Goodyear loan application was made by Mr. Beyer, seconded by Ms. Steffey and passed unanimously.

Mr. McGee said that ADOT anticipates bringing the application to the State Transportation Board at its April 21 meeting.

Mr. Glock asked if approval of the HELP loan essentially constitutes approval of the project. Mr. McGee responded no, explaining several different actions will be involved in the final approval of the project. For instance, the cities will have to reach an agreement concerning the amount of interest for which each will be responsible. He stated that there is no desire to commit HELP dollars for the advancement of design projects unless there is a high degree of certainty that the construction projects will also be accelerated. He assured the Committee that the application would not have been brought forward for consideration if there had not been reasonable assurances that the required agreements at the city and MAG levels will be put into place.

Next Regular Meeting

The next regular meeting was tentatively scheduled for the first week of April. Mr. McGee noted it will most likely be a telephonic meeting to consider the Mohave County loan.

Call to the Public

No comments were made.

Adjourn

There being no further business, the meeting was adjourned at 2:22 p.m.

A handwritten signature in black ink, appearing to read "John McGee", with a long horizontal line extending from the end of the signature.

John McGee, Chair